

Millions pray for ferry victims

Cairo (R) — Millions of Muslims across Egypt prayed on Friday for the victims of an Egyptian ferry that sank six days ago while the search continued for some 350 bodies still missing or trapped in the wreck. Worshippers performed a special "prayer for the missing" after Friday prayers, asking God to bless the souls of the victims, who were called martyrs in sermons. An official at a collection center in the Red Sea port of Safaga told Reuters by telephone a total of 119 bodies had been recovered. Eighty three had been handed to relatives. Abdul Samar Al Sawi, a Health Ministry official whose job is to issue death certificates, said no bodies had been brought ashore on Friday but added that navy and other vessels were at sea continuing the search. Only 180 passengers and crew members were rescued from the Salem Express, which sank off Safaga after hitting a reef on Saturday night in one of the world's worst shipping disasters. Some 650 people were on board, most of them Egyptian pilgrims or workers returning from jobs in Saudi Arabia. Cairo's afternoon newspaper Al Messa reported from Safaga that relatives were no longer seeking bodies as those coming in had decayed beyond recognition.

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Anglican leader to visit Jordan, Jerusalem

LONDON (AP) — Archbishop of Canterbury George Carey, spiritual head of the state Church of England and leader of the world's 70 million Anglicans, will visit Jordan and occupied Jerusalem early next month. His London office said the visit has been arranged at the invitation of the Anglican bishop of Jerusalem, Samir Kafiti, to allow Archbishop Carey to take part in 150th anniversary celebrations of the Anglican Bishopric in Jerusalem and to support the work of the Anglican Church in the diocese. It said: "It's one of a series of pastoral visits which the Archbishop makes to provinces within the Anglican communion. While he is in Amman (Jan. 3-4) and Jerusalem (Jan. 4-8) he will meet religious and political leaders and discuss their hopes for the peace process and for the future of the region."

U.N. issues Gulf damage claim forms

GENEVA (AP) — The United Nations Friday issued forms with which individuals can claim up to \$100,000 from Iraq for damages linked to its invasion and occupation of Kuwait. Up to two million claimants are expected, the U.N. has said. The standard forms can be used by hundreds of thousands of foreign workers who lose their jobs and belongings when fleeing Kuwait between the Aug. 2, 1990 invasion and March 2, 1991, when a U.S.-led allied force had ousted Iraqi forces. Also qualifying are people who suffered serious injury or the death of a family member, and property damage claimants, the U.N. compensation commission said in a statement. No start is in sight for payments, though, because Iraq has not accepted a Security Council plan to sell oil under U.N. supervision. Part of the hoped-for revenues would finance a special compensation fund (see page 2).

3 Saudis beheaded

NICOSIA (R) — Three Saudis convicted of murder or burglary were beheaded in public after Friday prayers in Saudi Arabia. Riyadh: Radio quoting a statement by the Saudi Interior Ministry, said Abdullah Ben Mbarak Ben Faraaj Al Harbi had his head cut off by sword after he was convicted of stabbing to death Yemenis during a quarrel over money. The statement said two other Saudis — Ibrahim Ben Yahya A'siri and Abdulla Ben Obeid Ben Mishkhan — received the same punishment for various burglaries. The last reported beheading in the kingdom was in Nov. 29, when a Pakistani was executed in the Red Sea port of Jeddah after he had been found guilty of smuggling heroin. At least 18 Saudis were beheaded this year for crimes ranging from murder to drug trafficking.

Amnesty asks Syria for details of released prisoners

LONDON (R) — Amnesty International asked Syria Friday to make public a list of prisoners reported to have been pardoned and released recently. It quoted Syria as saying that some 2,800 prisoners "who committed crimes against national security had been pardoned and would be freed immediately." But the London-based human rights group said there was still uncertainty about who had been pardoned and whether some of those said to have been released had in fact been freed. Amnesty said it had confirmation that more than 700 prisoners had been released since Dec. 14 and added that further releases were expected.

Markovic resigns

BELGRADE (R) — Yugoslav Prime Minister Ante Markovic announced his resignation in a statement Friday after a row over a new federal budget. Mr. Markovic, a Croat, said in a statement read to reporters that he could not accept the proposed budget for next year because it was aimed at continuing the fighting in the breakaway Republic of Croatia. He said 81 per cent of the draft budget would go towards the Serbian-led federal army.

Jordan confident deadlock in talks will be removed

AMMAN (J.T.) — Foreign Minister Kamel Abu Jaber Friday expressed confidence that the current deadlock in Arab-Israeli talks will be removed and the peace drive will regain momentum.

Speaking in an interview with the Jordan News Agency, Petra, Dr. Abu Jaber affirmed that a Middle East peace settlement can only be achieved after "a total Israeli withdrawal from all occupied Arab territories, including Jerusalem."

"Although there seems to be temporary stumbling in the peace process, it is inevitable that it will build in the right direction and towards a just and comprehensive settlement in accordance with the principles of international legitimacy," Dr. Abu Jaber said.

He said: "The Arab-Israeli conflict is an ideological, political and cultural struggle that is deeply rooted in us (Arabs and Israelis) and therefore, no human brain can imagine ending this dispute and reaching a peaceful and just settlement overnight."

Dr. Abu Jaber's statement underscored Jordan's determination to pursue peace negotiations with Israel.

"It is unwise to look at the peace efforts in isolation of international developments, notably the fall of the communist camp and the emergence of new world

(Continued on page 5)

Refugees want continued talks to prove Arab point

By Wafa Amr
The Associated Press

AMMAN — Palestinian refugees said Friday they feel frustrated and insulted by the way the latest Arab-Israeli peace talks turned out, but they want the talks to continue in order to prove a point.

"The Palestinian delegation must return to Washington to continue negotiations with Israel so that the world will realize that Israel is the party that doesn't want peace," said Mohammad Yousef, 37, a resident of Wadiat refugee camp in the suburbs of Amman.

The deadlock in the talks caused frustration among the Palestinian community here," he said. "But it was expected, and that does not mean the end of the peace road."

Mr. Yousef was reacting to an impasse in the second round of peace talks in Washington, which adjourned until January after 15 days of procedural wrangling.

Negotiations between Jordan and Israel snagged over the segregation of the joint Jordanian-Palestinian delegation into two tracks during talks with Israel.

Palestinians, intent on demonstrating their independence as a people and their desire for statehood, demanded that Israel negotiate with them separately, Israel, rejecting an independent Palestinian state, insisted on a joint umbrella for the talks.

As a result, negotiations took place in a U.S. State Department halfway, with both sides refusing to enter meeting rooms.

Mr. Yousef, a native of the Israeli-occupied Gaza Strip, fled to Jordan following the 1967 Arab-Israeli war. Like an estimated 1.2 million Palestinian refugees, he lives in one of the largest of 11 squallid camps across Jordan.

Mr. Yousef, surrounded by friends, spoke as he was leaving an Amman mosque following noon prayers.

"Palestinians in this camp have fled from their homes in 1948 and 1967, and we have become accustomed to Israeli intransigence," Mr. Yousef said. "It will not change now."

Residents of other Palestinian camps considered the "corridor diplomacy" as an insult.

"We want the world to start realizing the truth they have been blind for many years to know that Arabs want peace but Israel wants to continue its occupation," said 41-year-old Omar Hassan, a vendor in the second-largest refugee camp, Al Hussein.

We have made concession after concession in our striving for peace although we are the right owners, yet Israel continues to ask for more compromise and stamps on our dignity with its feet," he said.

Mr. Hassan was interrupted by an old woman, wearing the Palestinian traditional dress.

"This peace conference is aimed at stripping us of our remaining pride and identity," she shouted, "and both Palestinian and Jordanian negotiators have been insulted by America and Israel in Washington by talking in the corridors."

Israelis abduct three Lebanese; boobytrap kills 3

NABATIYEH (Agencies) — Israeli commandos seized six civilians in South Lebanon early Friday and a booby-trapped flashlight they reportedly left behind exploded as two children played with it, killing them and an adult, police said.

Three other civilians were wounded in the blast at 11:45 a.m. (0945 GMT) in a butcher's store in the southern Lebanese village of Jibsheet, three kilometres south of the raid scene, police said.

They said the captured men were taken in handcuffs to an interrogation centre near a 20-house tobacco-growing hamlet between Jibsheet and Adsheat, where three of the detainees were kept and the three others freed.

Police identified the detainees as newsman Shawki Fahs, 42,

(Continued on page 2)

Palestinians press for stronger U.S. role

WASHINGTON (AP) — Palestinian negotiators say U.S. involvement is needed to get peace talks with Israel moving when they resume next month, but so far there is no sign it is forthcoming.

President George Bush, voicing disappointment that the talks failed to move beyond an impasse over procedure, said Thursday the United States was a catalyst for talks but would not "dictate solutions" to either side.

Palestinian delegates to the Mideast peace talks that recessed on Wednesday were leaving for home on Friday, following their Israeli counterparts by a day.

Hanan Ashrawi, spokeswoman for the Palestinian delegates, expressed regret that the United States failed to intervene. She said American involvement — and pressure from Israeli public opinion on that country's negotiators — were all that could break the procedural deadlock.

"The other party (Israel) always used this argument to show to the world that the Arabs wanted a military confrontation without seeking to sit down at the negotiating table and solve the issue through peaceful means," he added.

"But the Arab's adoption of peaceful moves is in the eyes of the world a positive development that showed they wanted peace based on justice, while Israel, for the first time, appeared to be the party that rejects peace based on international law."

The emergence of the Palestinian uprising came as a reflection of the feeling of the Palestinian people, contributing positively to moving humanitarian conscience into doing something serious to find a just and durable solution to the Palestinian cause help the peace process.

Intervention "would have reinforced the perception among some of the Arabs, a wrong perception that peace has to be negotiated only to endorse its illegal occupation of Arab territory," he said.

Dr. Ashrawi, strongly denouncing what she regarded as an Israeli intransigence, also said the United States may not be able to serve as an "evenhanded peace broker" because of its "special relations with Israel."

Mr. Bush said the mere fact the enemies met was significant. He said he was told "some progress was made."

"It is going to be done at the negotiating table," the president said. "And thank God it has started."

However, "a lot of time was spent talking about modalities and locations," Mr. Bush told reporters at a White House news conference, "and obviously we would have liked to see more progress."

The United States made clear that the joint forum, agreed to before the Oct. 30 start of the Mideast talks in Madrid, should be preserved.

"We would have preferred that Israeli-Palestinian talks, under the aegis of a joint Palestinian-Jordanian delegation, had progressed further," said Assistant Secretary of State Edward Djerejian.

Nonetheless, he said, the United States had not intervened.

"We want the world to start realizing the truth they have been blind for many years to know that Arabs want peace but Israel wants to continue its occupation," said 41-year-old Omar Hassan, a vendor in the second-largest refugee camp, Al Hussein.

We have made concession after concession in our striving for peace although we are the right owners, yet Israel continues to ask for more compromise and stamps on our dignity with its feet," he said.

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"This peace conference is aimed at stripping us of our remaining pride and identity," she shouted, "and both Palestinian and Jordanian negotiators have been insulted by America and Israel in Washington by talking in the corridors."

Member of Parliament Yair Tsaban, head of the opposition Mapam Party, termed the Jewish



KING LEAVES FOR BRITAIN: His Majesty King Hussein Friday left for London on a private visit to the United Kingdom. The King was seen off at the airport by His Royal Highness Crown Prince Hassen and Prime Minister Sharif Zeid Ben Shaker (photo above). The King was accompanied by Their Royal Highnesses Prince Hamzah and Prince Hassen.

Jordan seeks peace, but not peace at any cost — King

AMMAN (Petra) — Jordan is

keen to achieve peace, but not any peace and not at any price. His Majesty King Hussein has said.

Addressing the 32nd batch of army officers from the Royal Command and Staff Academy, the King said Jordan's participation in the Middle East peace process was aimed at the full implementation of international legitimacy since the occupied territory in question are Arab owned and not Israeli property.

By raising the slogan of peace for peace without giving up occupied land, Israel is not paving the ground for any real peace but it is using the peace negotiations only to endorse its illegal occupation of Arab territory, the King said.

By refusing to implement U.N. Security Council resolutions, said the King, Israel is keeping the Middle East in turmoil.

Jordan will by no means accept to separate from peace the question of Israel's withdrawal from the occupied Arab lands in accordance with Resolution 242 and believes that by its refusal to withdraw from the Arab land, Israel is disregarding that resolution and violating the principle of non-admissibility of the acquisition of land by force, the King said.

Such concept can by no means constitute a basis for peace, the King added.

King Hussein accused Israel of participating in the negotiations only to seek endorsement of its occupation of Arab land in violation of Resolution 242.

The King said while the negotiations are going on, Israel is trying to

put obstacles in the path of peace through the actions of the Jewish extremists in the occupied territories. The whole world community, he said, should now realize which party is for peace and which party is placing obstacles in achieving a durable peace and security in the region.

On the domestic situation, King Hussein said that democratic life in Jordan remains the best guarantee for the country's security and stability, regardless of the difficult circumstances it is facing.

Jordan, he added, is proud of its institutions, its citizens and its circle of friends.

Jordan is facing the present stage of economic, financial and social difficulties together with the enormous problem of unemployment and foreign debt and meager resources and is trying to carry out an economic restructuring programme, the King noted.

He said that for these problems to be solved cooperation and contribution on the part of all citizens is required as the executive authority can by no means shoulder this huge task on its own.

"We cannot deny that we are facing very hard times requiring strong resolve and sincere efforts on the part of every citizen," the King said.

"Our country demands from us at this crucial stage to stand together with resolve in facing the difficult circumstances," the King added.

Sabbah calls for patience in peace process

OCCUPIED JERUSALEM (AP) — The Roman Catholic patriarch of Jerusalem, in a Christmas message Friday, urged negotiators in the Middle East peace talks to have the patience to find justice and dignity for both Arabs and Israelis.

"The way of violence has taken us 70 years, so the way of peace will not be achieved in a few hours, a few days, a few weeks," Archbishop Michel Sabbah told reporters at the patriarchate in Jerusalem's walled Old City.

Archbishop Sabbah, the first Palestinian to be patriarch, or leader of the Holy Land's Roman Catholics, also called for a "special status" for Jerusalem as home to the world's three monotheistic faiths.

He said his Christmas message was the same as that given by the angels who announced Christ's birth nearly 2,000 years ago.

"This message (is) to believe that there is a saviour, that God gave us our land in order to enjoy it and not to hate each other and kill each other," he said.

Archbishop Sabbah said there were many obstacles to peace, noting procedural wrangles at peace talks in Washington and steps by Israel in occupied Jerusalem and other parts of Arab territories it seized in the 1967 war.

He mentioned a two-week curfew imposed on about 50,000 West Bank Palestinians after the death of a Jewish settler and settlers' attempts to take over homes in a neighbourhood of Arab East Jerusalem.

"Despite all these obstacles... our message to those who are in the peace conference is have patience," Archbishop Sabbah said.

"We hope it will not take 70 years more" for peace, he said. He added it may take "one year more, two years more... so all parties to this conference must be

(Continued on page 5)

Arabs, Israelis protest Silwan settlement

OCCUPIED JERUSALEM (Agencies) — Thousands of Israeli peace activists joined hands with Palestinians in Jerusalem Friday in a demonstration against Jewish settlements in the village of Silwan.

Palestinians and Israelis accused Prime Minister Yitzhak Shamir's government and Jewish settlers, who seized five Arab homes in Silwan on Dec. 12, of trying to undermine U.S.-brokered Middle East peace talks.

Nonetheless, he said, the United States had not intervened.

Mr. Bush said the United States sees itself as "a catalyst for the government and by the settlers is simply not acceptable," said Hebrew University professor Galia Golan, an organizer of the demonstration.

Palestinian homeowners have petitioned the courts against the seizures, which were carried out under police protection after the Israeli government authorized the takeover.

The United States condemned Jewish settlers trying to undermine peace efforts and urged the Israeli government to restrain them.

Palestinian nationalist leader

Middle East News

JORDAN TIMES, SATURDAY, DECEMBER 21, 1985

Iraq, U.N. have stranglehold on each other's funds

By Peter James Spielmann
The Associated Press

UNITED NATIONS — Although the Security Council has strangled Iraq's economy with its 16-month economic embargo the Baghdad government is hitting back by refusing to sell oil that would pay for U.N. operations.

The U.N. programme most directly affected by Iraq's tactic is the special commission formed to enforce an agreement ending the Gulf war.

The commission has the task of destroying Iraq's chemical, biological and nuclear weapons programme, along with its ballistic missiles and "superguns."

The special commission is gearing up to destroy Iraq's enormous arsenal of chemical weapons — more than 125,000 munitions, including over 46,000 filled shells, bombs and warheads, many of them dangerously leaky.

The cost of that project depends on whether the special commission relies on sophisticated Western disposal methods or approves a cheaper Iraqi plan to destroy the weapons, but U.N. officials estimated it could easily exceed \$100 million.

Iraqi officials are balking at paying a steep price for sophisticated disposal methods that would enrich Western chemical and high-technology companies, and U.N. officials are leaning towards approval of the Iraqi plan if it is revised to meet some of their safety and efficiency standards.

But even the cheaper Iraqi disposal plan costs money, which is supposed to come out of a \$1.6 billion one-time sale of Iraqi oil that the Security Council authorised in September.

The Iraqi government, however, has so far refused to proceed with the sale, saying that strict U.N. oversight of the transactions and the presence of U.N. and foreign oil company monitors is an insult to Iraq's sovereignty.

Iraq's U.N. ambassador, Abdul Amir Al Anbari, will

lead an Iraqi delegation that will meet the U.N.'s top financial officer, Kofi Annan, in Vienna on Jan. 6-7 to discuss the proposed oil sale.

U.N. officials say privately they believe the Iraqis will eventually agree to the sale, perhaps after some face-saving arrangement is reached that will allow them to justify it to their public.

However, the respected Cyprus-based weekly Middle East Economic Survey said no breakthroughs are expected.

Senior Iraqi press official Abdal Jabbar Muskin said Wednesday in Baghdad that the U.N. plan was designed to undercut Iraq's sovereignty. "We cannot give oil to other people to sell as we wish. It is against our freedom," he said.

Under the plan yet to be approved by Baghdad, the United Nations would monitor the sale of oil that would be sent through a pipeline to Turkey, and would set up a U.N. account for proceeds of the sale.

About \$1 billion would be used to pay for food, medicine and other humanitarian supplies Iraq needs, war reparations, and the cost of the U.N. operations in the Gulf, such as the special commission's work.

About \$90 million would go to pay for U.N. operations in Iraq and about \$480 million to war reparations for Kuwait.

U.N. weapons inspectors have had numerous run-ins with Iraqi officials trying to hide secret weapons programmes.

Iraq had declared that it only had a peaceful nuclear programme, but U.N. and International Atomic Energy Agency (IAEA) inspectors raided Baghdad offices in September and seized blueprints for a nuclear weapon.

Irqi soldiers blocked 44 U.N. and IAEA inspectors in a Baghdad parking lot for over four days in late September, demanding that they return documents they had seized. The Iraqis later relented.



SAFETY MEASURE: Palestinians in the Arab East Jerusalem neighbourhood put up barbed-wire fences in an attempt to prevent Jewish settlers from entering their property

Palestinians sue U.S. company that supplied tear-gas to Israel

PITTSBURGH (AP) — A U.S. company that sold tear-gas to Israel is being sued for negligence by relatives of Palestinians who died after inhaling the gas during disturbances in the occupied territories.

Relatives of eight Palestinians filed suit Thursday in U.S. district court, saying Federal Laboratories Incorporated of Saltsburg, Pa., knew the tear-gas had caused civilian deaths during the Palestinian uprising.

The plaintiffs — 61 spouses and children of those killed — contend Federal Laboratories and its parent company, Transtechnology Corporation are liable for the deaths of eight Palestinians, who died between January 1990 and May 1991.

Federal Laboratories said it had not received a copy of the lawsuit and therefore could not comment.

But company president Robert Tunno confirmed tear-gas had been sold to Israel and acknowledged the gas could have been used improperly.

"Obviously, any product can be misused," Mr. Tunno said. After inhaling tear-gas fired on them by Israeli troops in the

"You can kill somebody with anything, practically."

He declined to say whether the company, located about 40 kilometres east of Pittsburgh, has a current contract with Israel.

The Israeli government contended that there had been no proof the deaths were caused by tear-gas.

Various human rights organisations, including Amnesty International, say that exposure to tear-gas can be fatal to babies, the elderly and people with respiratory illnesses. Dr. Jonathan Fine, executive director of Physicians for Human Rights, said the Boston group found tear-gas can kill in confined spaces or after prolonged exposure.

Transtechnology and Federal Laboratories are guilty of the worst kind of negligence and indifference, the kind that results in the deaths of innocent people," said Beth Stephens, an attorney for the Centre for Constitutional Rights, which filed the suit on behalf of the Palestinians.

The suit said the victims died after inhaling tear-gas fired on them by Israeli troops in the occupied West Bank and Gaza Strip.

Among the victims were a 46-year-old man buying vegetables in a market, a 45-year-old butcher walking out of a mosque and a 62-year-old woman sitting on her porch in a refugee camp, court papers said.

Each plaintiff in the case is seeking more than \$50,000 in damages. Ms. Stephens said the damages totalled "many millions" of dollars.

Israeli defence ministry offices were closed when the suit was filed, and officials were not immediately available for comment.

The Israeli army has defended the use of tear-gas, saying it is the best way to disperse large crowds without causing physical injury.

The U.N. Relief and Works Agency said more than 10,600 Palestinians were injured by tear-gas from December 1987 to October 1991. The United Nations attributed at least 44 deaths to the gas as of May 1989.

The U.N. agency said Thursday it had no updated figures for tear-gas-related deaths.

OAU says peace force for Somalia a possibility

ADDIS ABABA (R) — The head of the Organisation of African Unity (OAU) said Thursday he would not rule out sending a peace-keeping force to end "senseless carnage" in the Somali capital, Mogadishu.

"We believe there is a need for concerted action at the international level to put an end to the present misery the Somali people are subjected to," OAU Secretary General Salim Ahmad Salim told a news conference at the pan-African body's headquarters in the capital of neighbouring Ethiopia.

But he added such a force could only be sent with the accord of the parties to the country's most recent conflict which has killed some 4,000 people and injured at least 7,000 since it started on Nov. 17.

Somalia, an impoverished desert country on the Horn of Africa, has been virtually destroyed by 11 months of anarchy which began after dictator Mohammad Siad Barre was ousted from the capital by rebels last January.

Mr. Salim said the first priority for the OAU and the international community was to end the fighting now raging between the factions loyal to warlords Ali Mahdi Mohammad and Mohammad Farah Aideed.

"We cannot be indifferent to what is going on inside Somalia," Mr. Salim said.

Pressure has mounted in the past recently for international bodies such as the European Community or the United Nations to help stop the conflict and lead relief efforts in Somalia.

The U.N. has failed to establish a permanent presence in the capital for security reasons and relief efforts are being run by aid groups.

Mr. Salim said an offer he made on Wednesday to broker peace talks had received a mixed reception, but he said he believed it may still be possible to organise a peace conference.

Much of Mogadishu, once an exotic Indian Ocean port city, had been reduced to rubble by four weeks of clan warfare — savage even by Somalia's recent measure of brutality.

A Belgian air force Hercules C-130 on Thursday began regular relief flights to the city where medical supplies were almost totally exhausted.

MIDDLE EAST NEWS IN BRIEF

Kabul plans security improvements

ISLAMABAD (R) — Afghan military commanders will strengthen security in Kabul ahead of a cut-off in Soviet military aid at the end of the year, the official Bakhtar news agency reported Friday. First Deputy Defence Minister General Mohammad Nabi Azimi pointed out security shortcomings during a meeting of garrison commanders on Thursday and demanded improvement, Bakhtar said. The broadcast was monitored in Islamabad. The United States and the Soviet Union are due to halt military aid to opposing sides in the 13-year-old Afghan civil war by Jan. 1 to promote a United Nations peace plan. The Western-backed guerrillas resumed surface-to-surface missile attacks on Kabul on Thursday after about a month's lull, killing a child, Bakhtar said.

Death toll in Djibouti shooting rises to 20

LONDON (R) — The death toll in a shoot-out in Djibouti City on Wednesday has risen to 20, Djibouti state radio reported late Thursday. The radio, monitored by the British Broadcasting Corporation (BBC), said the council of ministers held an extraordinary meeting on Thursday chaired by President Hassan Gouled Aptidon to discuss the incident. "After discussing at length the incident in which 20 lives were lost and 10 people wounded — according to the latest figures released — the council of ministers expressed its profound regret and conveyed its condolences to the families of the deceased," the radio said. On Wednesday the radio reported that eight people had died and 26 were injured when police came under fire during an identity check in the Arhiba district of Djibouti City and shot back. French officials had reported that 25 died. Opposition charges that up to 200 had been killed were denied by Djibouti.

Israel to present new Demjanjuk evidence

NEW YORK (R) — Israeli prosecutors in the John Demjanjuk case will introduce new evidence on Monday to prove he was the notorious Nazi concentration camp guard "Ivan the Terrible." Jewish sources close to the case said Thursday. The sources made their comments after Mr. Demjanjuk's Israeli lawyer said he had discovered documents dating back to 1978 that prove his client was the victim of a frame-up by U.S. and Israeli officials. Attorney Yoram Sheftel promised to show at an Israeli supreme court hearing on Monday that U.S. and Israeli officials ignored statements from 20 former guards at the Treblinka camp that suggest that the notorious "Ivan the Terrible" was another man, Ivan Marzenko. But Jewish sources in New York said the Israeli prosecution would also introduce new evidence at the Monday hearing — previously unknown documents from war crimes archives to show that Mr. Demjanjuk, now 71, was a guard at more than one concentration camp.

Ethiopians protest confiscation of homes

ADDIS ABABA (R) — Several thousand Ethiopians staged a demonstration in the capital, demanding the new government return houses confiscated by former Marxist dictator Mengistu Haile Mariam. The demonstrators, mostly elderly Addis Ababa residents, said during the protest late Thursday that northerners from the home province of government leaders were receiving preferential treatment in restoration of property. They said they wanted the same treatment as people living in the northern regions of Gondar and Tigray whose homes were returned before the adoption of a new policy on restoration. The economic policy, adopted by the National Assembly last month, ruled out the return of confiscated houses. It said the government would sell them and compensate previous owners. The northern-based Ethiopian People's Revolutionary Front (EPRDF), which overthrew Colonel Mengistu last May, dominates a transitional government set up to pave the way to free elections in two years time. Protesters said it was their democratic right to repossess their houses, confiscated by Col. Mengistu's government, and said they should be accorded the same rights as people living in Tigray province. The EPRDF's heartland, and elsewhere. "The right of ownership of nationalised houses given to the people of Eritrea, Gondar and Tigray should be accorded to the rest of the country," one protest placard read.

Rafsanjani: Iran should drop extremist slogans

TEHRAN (R) — President Akbar Hashemi Rafsanjani said Friday Iran could best advance its cause in the world by shedding extremist slogans which opened it to charges of terrorism. Mr. Rafsanjani, in a sermon in Tehran's Friday mass prayers, said Iran should tact to increase its presence around the world. "We don't need to say extremist things. We don't need to put forth impractical slogans, demands that cannot be realised but unduly frighten people and hinder us," he added. His remarks were some of his most forceful in defence of a moderate foreign policy to replace the militant diplomacy of the early years of the 1979 Islamic revolution of the late Ayatollah Ruhollah Khomeini. Mr. Rafsanjani said he had been received warmly after he put forth Iran's positions at this month's Islamic summit in Senegal — even by delegates from countries which Iran had criticised. This, he said, showed that Tehran could go a long way "without being accused of terrorism, of being extremist" by capitalising on its diplomatic presence in the world.

Polisario regrets resignation of U.N. envoy

ALGIERS (R) — The Polisario Front said Friday it regretted the resignation of the head of the United Nations' peace operation in Western Sahara, Johannes Manz, 53, had the task of implementing a U.N. peace plan for the region where Polisario guerrillas and Moroccan troops fought for more than 15 years until a ceasefire last September. His resignation was announced on Thursday by the Swiss Foreign Ministry. "Mr. Manz's nomination to this post a year ago constituted for us an element of confidence and encouragement, above all since his country, Switzerland, is irreproachable and impartial," the front said. Mr. Manz was handling an operation affecting "the destiny of a small people" and the credibility of the United Nations, it added.

Israelis kidnap three Lebanese

(Continued from page 1)

and U.S. captives in Lebanon since last August. Two Germans are only remaining Western hostages.

Police and Lebanese army investigators said they believed the flashlight was planted in Mr. Nahal's car by the Israeli raiding party.

Diplomats and security sources said kidnapping the three might be aimed at raising pressure for the release of Israeli airman Ron Arad.

Israel said the three were "terrorist suspects." Foreign Minister David Levy praised the raid as pre-emptive strikes.

U.N. envoy Giandomenico Picco was in Tehran Wednesday and diplomats expected him to fly on to Damascus to press for the release of Arad, the only missing Israeli serviceman believed still alive.

"I cannot imagine why the Israelis might think this could help bring Arad back," a diplomat close to the hostage problem told Reuters. "It is much more likely to complicate Picco's efforts."

A Muslim leader said last week Arad was in Syrian hands.

Israel feared Arad might be forgotten after Mr. Picco's success in releasing all the British

and U.S. captives in Lebanon since last August. Two Germans are only remaining Western hostages.

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Jordan maintaining child care despite problems — UNICEF

U.N. official assails contradiction of sanctions and needs of Iraqis

By P.V. Vivekanand

Jordan Times Staff Reporter

AMMAN — The level of poverty in Jordan is expected to rise in the short-term before the impact of government programmes take effect, according to international and Jordanian officials.

Notwithstanding the fact that a 1990 assessment that 30 percent of Jordan's population were living below the poverty line was based on two-year old statistics, the figure was "not exaggerated and we expect it to rise in the short term," said Nigel Fisher, deputy regional director of the United Nations Children's Fund (UNICEF).

Mr. Fisher was answering questions at a press conference he held to release the 1991 State of the World's Children Report.

Muammer Masri, secretary-general of the Ministry of Education who attended the press conference, agreed with Mr. Fisher and said that the government had "taken note of the message" inherent in the UNICEF announcement made in 1990 and was trying to address the situation.

Mr. Masri said the government itself had not carried out a "verification" survey and assessment and, therefore, could not offer any precise updated figures on the level of poverty level in the Kingdom. The "poverty line" in Jordan

was defined in terms of the monthly income that an average family of five spends on food and essential items; JD 89 was set as the minimum in 1990 and experts say that the situation is serious in some of the outlying villages in the south.

Prime Minister Sharif Zeid Ben Shaker, addressing the Lower House of Parliament last week, affirmed that poverty and unemployment were two major areas of priority for his government.

Mr. Fisher, who met with Sharif Zeid earlier Thursday to present a copy of the State of the World's Children Report, paid tribute to the attention the Jordanian government gave to the welfare of the Kingdom's children.

He noted that the 1992 draft budget allocated about 25 percent of expenditure to the social sector — health, education and other services — and pointed out that the allocation was higher than in most other countries.

He said UNICEF was contributing to the Jordanian effort by allocating \$3 million to maintain schools and offer nutritional food to 13,000 families in the south.

Despite the influx of about a quarter million expatriates and families who have returned from Kuwait and other Gulf states, Jordan has managed to maintain its record of bringing down infant mortality rate and

basic health services, Mr. Fisher said.

Prime Minister Sharif Zeid reiterated Jordan's commitment to the resolutions adopted by the 1990 World Summit for Children held in New York and informed UNICEF of the Kingdom's plans to convene a national conference focusing on children, Mr. Fisher said.

Turning to the state of the world's children, Mr. Fisher pointed out that the 1991 report estimates that it would take \$20 billion to ensure the welfare of children on a global level by the year 2000 and that "this represents the military expenses of (all countries) in one week."

Recalling the UNICEF goal of "universal immunisation for all by 1990," Mr. Fisher expressed confidence that with the proper approach, UNICEF would again be successful in achieving its objective of improving the lot of the world's children.

Mr. Fisher, a Canadian, rejected suggestions that United Nations agencies were under the influence of the United States in the emerging "new world order" and served as political instruments of the U.S.

Mr. Fisher was critical of what he said was a contradiction in the international commitment to the resolutions of

the Summit for Children held in 1990 and the international approach to Iraq, which is under an United Nations-approved sanctions, imposed as a punitive measure following the August 1990 Iraqi invasion of Kuwait.

He said humanitarian services to the people of Iraq were adversely affected as a result of the sanctions, despite the exemption of food and medicine from the trade embargo.

In addition, he said, UNICEF has been able to raise only \$25 million out of a called-for \$85 million for its programme in Iraq.

Citing independent reports which say that hundreds of thousands of Iraqi children are either dead or facing imminent death as a result of the shortages brought about by the continuing trade embargo, Mr. Fisher said:

"We are trying to argue as much as we can that children, women and families should not continue to suffer for political reasons."

He said there was a "serious lacking" in the 1991 State of the World's report in that it fails to mention the "suffering of the Iraqi children as well as the Palestinian children under Israeli occupation in the West Bank and Gaza Strip."

"There is, to some extent, a contradiction between the sanctions imposed by the United Nations and the needs of a United Nations humanitarian agency to work in Iraq," he said.

"One of our main concerns is that there is a large unfunded balance for our appeal," he added. "We don't see much cause for optimism there has been a sharp decline in the international community's interest regarding social welfare of the Iraqi people."

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Recession makes Christmas in Europe cheerless

By Barry May
Reuter

LONDON. — In parts of the prosperous West, recession and retrenchment cast gloom over the season of good will and free spending.

In the impoverished East, shortages and sharply rising prices bring home the harsh realities of the shift from central control to a market economy.

For many Europeans, this winter, it's a cheerless Christmas.

Despite big discounts and early sales campaigns, many cash registers aren't ringing so loudly or so often this year.

Some retailers fear 1991 will be the Christmas that never was.

In Britain, so-called nation of shopkeepers, a pre-Christmas firebomb offensive by the guerrilla Irish Republican Army (IRA) on stores and other targets has dampened already sluggish sales by scaring people away from major shopping centres.

Business analysts say the chaos could cost shops and offices in London tens of millions of pounds (dollars) in lost business. "The IRA have made it absolutely clear they are intent on waging a campaign of economic disruption and it is working quite well. This is an absolute disaster for retailers especially," said Ian Stevenson of investment house Salomon Brothers.

Big price cuts do not usually emerge until the January stock clearance sales but retailers are already slashing prices by up to 25 per cent.

"Retailers report that sales remain above the levels seen in the months immediately after the Gulf war but volumes remain poor for the time of year," says Nigel Whittaker of the Confederation of British Industry.

German Christmas sales are unlikely to reach levels achieved last year when pent-up demand in East Germany and an economic boom in the West boosted retail turnover to record highs, major retailers say.

Although consumer appetite has remained unabated in the former communist region, people in the West have become more careful following tax increases in July.

"It will not be better than last year when Christmas sales went extraordinary well," said a spokesman at Karstadt AG, Germany's largest retail chain.

"The beginning of West German Christmas sales was worse than expected," said Helene Heger, spokeswoman at Horten AG. "But altogether it will end very satisfactorily. Demand in Eastern Germany is still very strong."

Many East Germans, who went shopping in the West last year, are staying in their hometowns this year. Major retailers have invested heavily to modernise formerly state-owned department stores in the East.

People in both parts of Germany are increasingly turning to quality goods, despite lower disposable income.

Winter clothing is a particularly popular gift in Eastern Germany.

while home electronics such as computers, videos or wireless telephones, are favourites in the West.

In Paris, a spokeswoman said La Samaritaine department store expects pre-Christmas sales to be up five per cent from 1990.

Compact disc sales have leaped 50 per cent from last year, and along with portable and wireless telephones, joined the ranks of favourite family gifts, said Florye Grimaud.

But perfume and cosmetics are still the best sellers, with jewelry close behind.

Toys sales at La Samaritaine are down two to three per cent from 1990, but Ms. Grimaud expected them to gain ground during the last pre-Christmas weekend.

"There are certain sectors which are a bit late in getting off the ground, but I think that during the last weekend, when we'll stay open on Sunday, and the two days right before Christmas, they'll catch up," she said.

For Italians, Christmas promises to be a little more austere this year, as a tough economic climate forces consumers to cut back on spending and switch to cheaper gifts.

Sales of jewellery, furs and perfume are traditional favourites in fashion-conscious Italy — are all down on last year, by as much as 40 per cent, retailers say.

"The only things that seem to be doing well this Christmas are food products, but on all the rest losses are considerable," said Pietro Alfonsi, secretary general of Confindustria, Italy's retailers' association.

The jewellers' demise could prove to be the salvation of authors and publishers. "It seems that in these precarious times people have rediscovered the pleasure of reading and giving books," he said.

Swiss retailers who have been expecting a marked slowdown in spending say traditional Christmas business is booming in all sectors and betrays no sign of recession.

But they detect a shift of emphasis towards better quality, more durable goods and towards brand-name articles, even if these are more expensive, perhaps because they retain value and can be seen as a hedge against inflation.

Sales of watches, jewellery and perfume are especially good. Gimmicky presents are out.

"Things aren't so bad that people are going to let their Christmas be spoilt," said Fredi Fehr, director at Zurich department store Vilan.

Swedes stocking up on hams, compact disc players and computers for their children are expected to boost retail spending by two per cent after inflation from last year's depressed levels, said Rolf Karp of the Swedish Wholesale and Retail Research Institute.

"It's the only part of the Swedish economy that's still going strong," he said.

Electronic goods of all sorts are hot sellers this year as falling

prices put them within reach of more shoppers.

In addition, Sweden, which has lagged behind the United States and Britain in buying compact disc players, is beginning to acquire the habit, he said.

The institute forecasts Christmas sales of up to 60,000 compact disc players and two million compact discs — one for every fourth Swede.

Computers for pre-school children and video games for older kids, satin pyjamas for women and synthetic fleece sweaters are also big sellers, he said.

On top of gift shopping, Swedes also spend heavily on hams and other traditional foods for holiday feasts. Food accounts for 50 per cent of holiday spending," Mr. Karp said.

Danish retailers expect gifts to be more romantic this year with clothing very popular again, in contrast to last year's concentration on more practical things for the home. To help, purchase tax on perfume is lower.

Supplies in the shops of Eastern Europe, already suffering its worst recession since the 1930s, are much better than they were under communism.

But prices put them out of the reach of many people and the recession has led to unemployment figures long forgotten during communist rule.

In Albania, Europe's poorest state, celebrations are the last thing on the minds of the country's hungry, freezing and weary population of three million as they struggle free from four decades of despotic Stalinist rule.

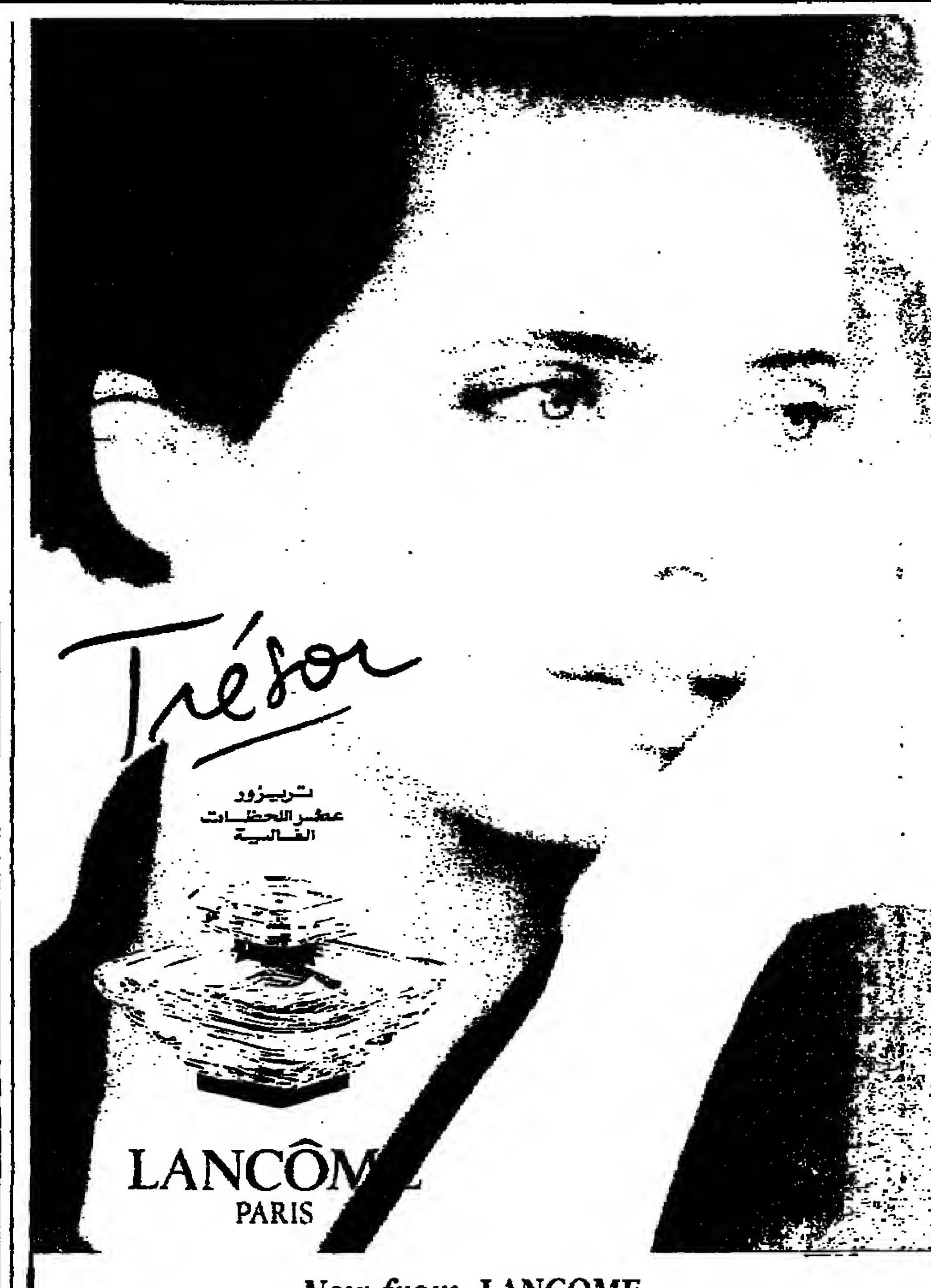
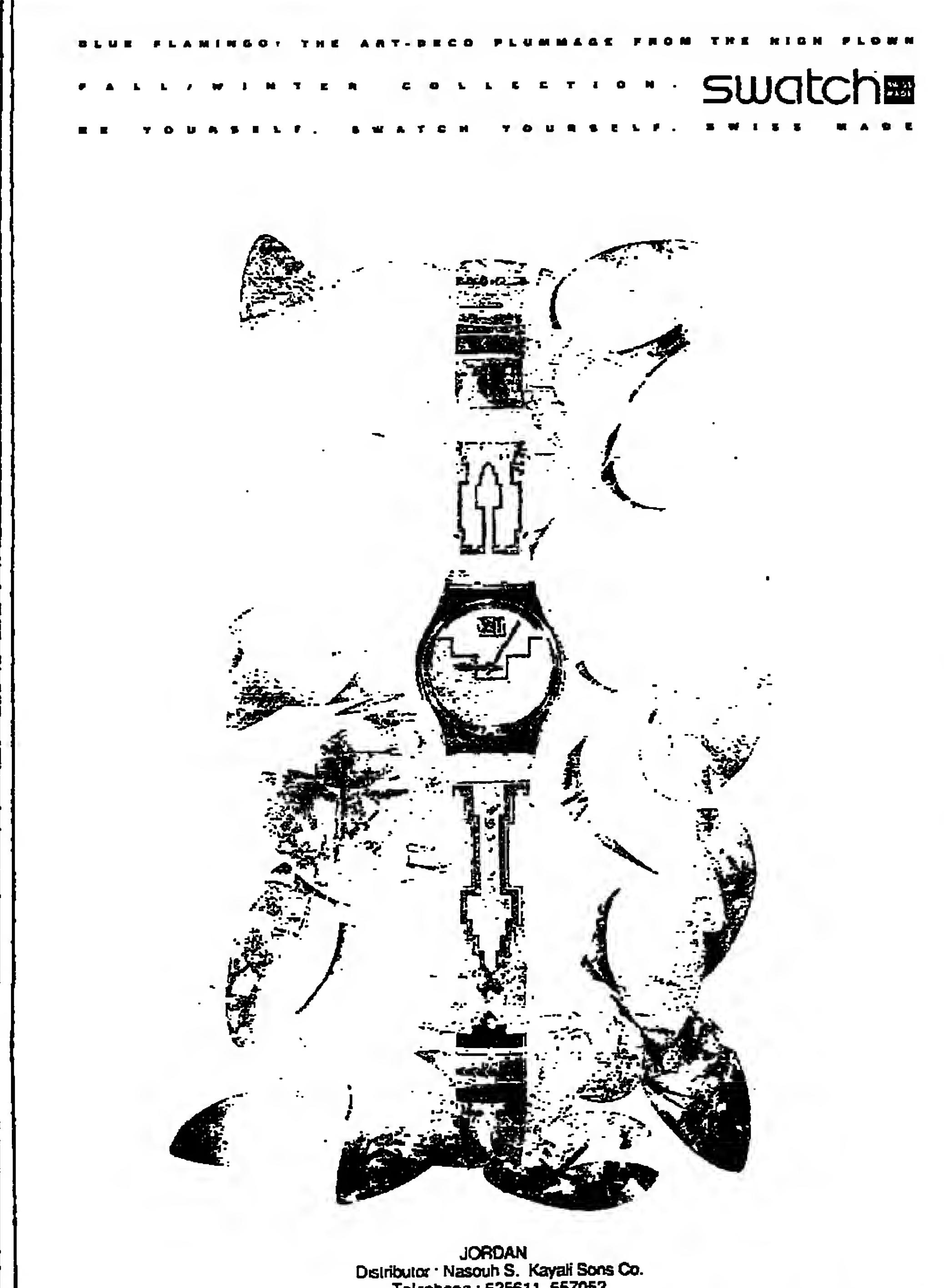
An official ban on religion was lifted last year but Christmas is unlikely to be a happy occasion.

Weeks of political crisis, unusually bitter weather and recent widespread looting of food stores have soured the season of good will.

In Paris, Tirana shops have been looted and burned.

A fish shop at the entrance to the city's free-price market is a charred hulk. Across the road, a newly-opened Italian grocery shop which stocks imported goods beyond the reach of most people is fortified with rows of iron bars.

Police with orders to shoot accompany army trucks distributing bread to protect them from hungry mobs.



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JORDAN BASKETBALL ROUNDUP

By Aileen Bannayan

Special to the Jordan Times

AMMAN — Al Hussein nearly put an end to Al Watani's hopes of improving their standing in the first division basketball championship as they scored an impressive 109-73 victory in their match played Thursday at Al Hassan Sports City in Irbid.

Al Hussein ended the first half to their advantage 40-34. Al Watani were hampered by many personal fouls which Al Hussein took advantage of by applying a tight defence to win the match by a big difference.

Commenting on the match in a statement to the Jordan Times Al Watani's head coach Ghaiti Al Najjar said: "As one can tell from the result, the first half was quite good. But we missed two key players who were out by five personal fouls at the beginning of the second half. This affected us a lot."

Italy to give Baggio striker's role

FOGGIA, Italy (R) — Roberto Baggio of Juventus is expected to return in a striking role as Italy seek to clinch second place in their group when they meet Cyprus in a European Soccer Championship qualifier Saturday.

The Soviet Union have won Group 3 but the European Football Union (UEFA) said this week the team finishing second would go to the finals in Sweden next June if political upheaval prevented the Soviets from taking part.

Italy need only a point against Cyprus to claim second spot ahead of Norway but victory should be a formality against a team who have lost all seven group matches.

Debate has been raging in Italy over how to bring the best out of the inconsistent Baggio, who became the world's most expensive player when he moved to Juventus for \$13 million last year.

Italian coach Giovanni Trapattoni said last weekend's league defeat by Sampdoria proved Baggio was not a striker.

But national coach Arrigo Sacchi appears to want to try Baggio up front with Sampdoria's Gaetano Viali, leaving room for Gianfranco Zola of Napoli in midfield.

Veteran defender Franco Baresi summed up the players' feelings when he told Italian television he hoped both the Soviet Union and Yugoslavia would be able to take up the places they had deservedly won.

Zola made his debut in the 1-1 draw with Norway last month and his performance was one of the few bright spots.

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to successive European Cup triumphs in 1989 and 1990, has called six new players into his 23-strong squad.

Internazionale's Dino Baggio, no relation to Roberto, could make his debut at right-back with AC Milan midfielders Demetrio Albertini and Alberigo Evani also set to win their first caps.

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Financial Markets in co-operation with Cairo Amman Bank

U.S. Dollar in International Markets		
Currency	New York Close	Tokyo Close
Sterling Pound*	1.8293	1.8262
Deutsche Mark	1.5713	1.5740
Swiss Franc	1.3975	1.3935
French Franc	5.3700	5.3755 **
Japanese Yen	126.50	128.70
European Currency Unit	1.2954	1.2950 **

* USD for STG
** European Opening @ 800 a.m. GMT

Non-currency Interest Rates					
Currency	1 MTHS	3 MTHS	6 MTHS	12 MTHS	Date: 19/12/1991
U.S. Dollar	4.81	4.43	4.45	4.56	
Sterling Pound	10.81	10.68	10.50	10.43	
Deutsche Mark	9.56	9.50	9.43	9.37	
Swiss Franc	8.25	9.12	8.06	7.87	
French Franc	9.62	9.75	9.68	9.56	
Japanese Yen	6.25	6.00	5.75	5.56	
European Currency Unit	10.43	10.40	10.28	10.05	

Interest rate for amounts exceeding U.S. Dollars 1,000,000 or equivalent.

Precious Metals		
Metal	USD/Oz	JD/Gm*
Gold	358.75	6.85
Silver	3.56	0.083

* 23 Karat

Central Bank of Jordan Exchange Rate Bulletin		
Currency	Bid	Offer
U.S. Dollar	0.5790	0.6810
Sterling Pound	1.2395	1.2455
Deutsche Mark	0.4510	0.4532
Swiss Franc	0.4666	0.4690
French Franc	0.1262	0.1268
Japanese Yen*	0.5675	0.5301
Dutch Guilder	0.3826	0.3845
Swedish Krona	0.1150	0.1166
Italian Lira*	0.0571	0.0574
Belgian Franc	0.02094	0.02104

* Per 100

Other Currencies		
Currency	Bid	Offer
Bahrain Dinar	1.7720	1.7780
Lebanese Lira*	0.0770	0.0775
Saudi Riyal	0.1807	0.1813
Kuwaiti Dinar	—	—
Qatari Riyal	0.1840	0.1849
Egyptian Pound	0.2050	0.2160
Omni Riyal	1.7380	1.7460
UAE Dirham	0.1840	0.1849
Greek Drachma*	0.3755	0.3770
Cypriot Pound	1.5080	1.5190

* Per 100

CAR indices for Amman Financial Market		
Index	17/12/1991 Close	18/12/1991 Close
All Share	129.14	129.35
Banking Sector	106.71	106.82
Insurance Sector	127.81	128.35
Industry Sector	162.80	163.13
Services Sector	145.46	145.86

* December 31, 1990 = 100

LONDON EXCHANGE RATES		
LONDON (R) — Following are the buying and selling rates for leading world currencies and gold against the dollar at midsession on the London foreign exchange and bullion markets Friday.		
One Sterling	1.8360/70	U.S. dollar
One U.S. dollar	1.1548/53	Canadian dollar
	1.5540/50	Deutschmarks
	1.7520/40	Dutch guilders
	1.3818/28	Swiss francs
	32.02/03	Belgian francs
	5.3200/50	French francs
	1178/1179	Italian lire
	128.35/45	Japanese yen
	5.6825/6925	Swedish crowns
	6.1250/1350	Norwegian crowns
	6.0550/0650	Danish crowns
One ounce of gold	356.00/356.50	U.S. dollars

Source: London Bullion Market Association

Source: London Stock Exchange

Source: London Metal Exchange

Source: London International Financial Futures Exchange

Yeltsin presses ahead with plans to shut down Soviet Union

MOSCOW (AP) — Boris Yeltsin pressed ahead with plans to shut down the Soviet Union by the end of the year by taking over the Soviet Foreign Ministry, the Kremlin and the staff of Soviet President Mikhail Gorbachev.

In an interview with Soviet television Thursday, Mr. Gorbachev acknowledged the Soviet Union was nearing its end, but urged a session of the national legislature to legally transfer power to the new Commonwealth.

Mr. Yeltsin's actions, taken in a series of decrees made public Thursday, all but eviscerated the Soviet Union, which has been dying a slow death since a hardline coup failed in August.

Russia also formed a new Russian Ministry of Security based on the old KGB and Russian Interior Ministry, according to the Interfax News Service and the Russian Information Agency.

In his interview, Mr. Gorbachev appeared to have accepted the new commonwealth of independent states, telling Soviet television its formation was in the "decisive" stage.

"The epoch of the Union of Soviet Socialist Republics is being closed, and the first page of the commonwealth of independent states is being opened," he said.

One of Mr. Gorbachev's advisers, Vadim Zagladin, told the Russian Information Agency Friday that the interview should not be considered his "political

last will" but an attempt to ensure a legal transition of power.

Mr. Zagladin said Mr. Gorbachev has received letters and telegrams from foreign politicians, business leaders and cultural figures saying they hope his "positive role" in international affairs will continue.

NATO indicated Thursday that it was nearly ready to recognise the Soviet republics as independent states. In Washington, President Bush said U.S. recognition was "just going to take a little bit of time."

Deputy Russian Foreign Minister Boris Kolokolov said the 240-member Russian diplomatic staff would be increased, and able Soviet diplomats could find jobs.

"Real professionals won't remain unemployed," he was quoted by the Soviet News Agency (TASS) as saying.

Viktor Barannikov, who was named Soviet interior minister after the failed August coup, was named head of the new Russian Ministry of Security and Interior Affairs. It will control police and riot troops.

Mr. Yeltsin also signed a measure raising the pay of all intelligence and security personnel by 90 per cent as of Jan. 1. Earlier this month, he boosted military pay by 90 per cent.

The Russian president has said for "all practical purposes" that Gorbachev has no future role in the Soviet government which is to be disbanded by the new year.

But in an interview published Thursday, Mr. Gorbachev said he will "decide his destiny" after a weekend meeting of republic leaders. An aide denied another report that Mr. Gorbachev has already drawn up his resignation.

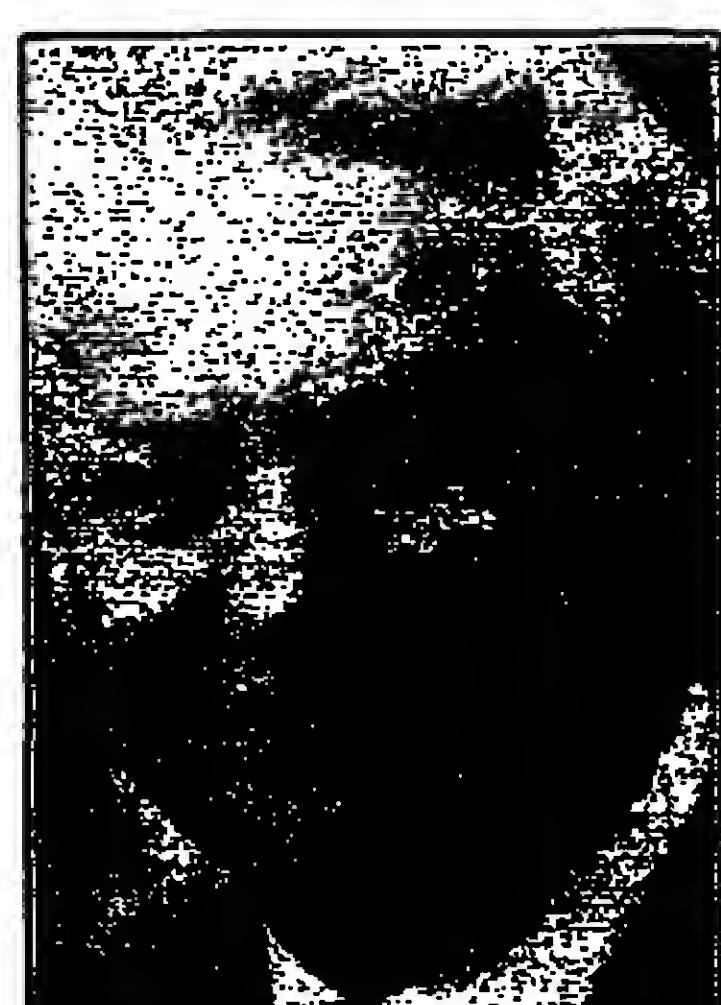
Reports have said Mr. Gorbachev might resign after leaders of nine republics meet Saturday in Alma-Ata, the capital of Kazakhstan, to endorse the new commonwealth.

Mr. Gorbachev has not been invited to the meeting but has sent messages to all the republic leaders there, asking them to clarify their positions on the commonwealth and its new government structures.

The Soviet leader had tried to keep the Soviet Union together with a new treaty that would have kept a central government and given the republics greater independence. But most of the republics said they wanted to go their own way, while maintaining some economic and political ties.

That concept took shape on Dec. 8 when Russia, Ukraine and Byelorussia announced the formation of a commonwealth and invited other republics to join. Six more are to sign on Saturday at a meeting in Alma-Ata, the capital of Kazakhstan.

In a television interview Mr. Gorbachev expressed support by a proposal from Kazakhstan to call the new grouping the Commonwealth of Independent Euro-Asian States, and noted the dual



Boris Yeltsin

commonwealth formula was first raised by the late Andrei Sakharov.

But Mr. Yeltsin is expected to dominate the Alma-Ata meeting, where he is expected to sign two landmark agreements.

One would welcome Armenia and the five Asian republics into the commonwealth as equal co-founders, the other would create a common nuclear defence.

U.S. Secretary of State James Baker said Thursday he received "very, very firm assurances" during a five-day tour of the disintegrating country that there would be strict centralised control over the Soviet Union's estimated 27,000 nuclear warheads.

NATO formally opens door to East Europeans

BRUSSELS (AP) — The NATO allies held unprecedented security talks Friday with their former adversaries in Eastern Europe and Russian President Boris Yeltsin sent a message asking to eventually join the alliance.

"Today we are raising a question of Russia's membership in NATO, however, regarding it as a long-term political aim," Mr. Yeltsin said in a prepared speech read by the Soviet ambassador to Belgium, Nikolai Afanassievsky.

Mr. Yeltsin, moving to enhance his powers before the formation of a new commonwealth of former Soviet republics, said he considered ties to the 16-nation North Atlantic Treaty Organisation (NATO) "to be very serious."

"This is a historic day for the alliance and for all of Europe," U.S. Secretary of State James Baker said at the inaugural meeting of a special NATO forum.

"Not long ago, our meetings focused on a very different business — the nations now assembled around this table were on opposing sides in a cold war," he said.

"Today signifies the coming together of West and East," said British Foreign Secretary Douglas Hurd. "It's very important."

NATO's Secretary-General, Manfred Woerner, exulted, "if ever history witnessed a profound turnaround, this is such a unique moment. ... Europe will not be the same after our meeting today."

The new forum — the North Atlantic Cooperation Council — was set up last month by President George Bush and other Western leaders as a way of drawing their former enemies closer without granting them full NATO membership.

The allies want to offer the nations Western know-how in controlling their Soviet-trained military and converting their defence industries to civilian uses.

But Mr. Yeltsin said he wanted the allies to accept new members. Poland, Czechoslovakia and Hungary also have said they would like to belong someday.

Nations invited to take part in the council are the Soviet Union, Poland, Hungary, Czechoslovakia, Bulgaria, Romania and the Baltic states of Latvia, Lithuania and Estonia.

"Today, it is important to rapidly overcome the heritage of confrontation," Mr. Yeltsin said.

The former adversaries should move forcefully to cut their "military potentials," even beyond an East-West accord signed last year to slash the level of non-nuclear weapons in Europe, he said.

The Russian Federation president said the new cooperation council would contribute to a "climate of mutual understanding and trust, strengthening stability and cooperation on the European continent."

Mr. Baker, who Thursday wound up a five-day trip through the crumbling Soviet Union, cautioned about the "new dangers" facing the European continent.

"Old structures are breaking up. New nations are struggling with the political, economic and security necessities of statehood," he said.

Mr. Hayden, now Queen Elizabeth II's vice-regal representative in Australia, knows the situation well. He was replaced by Mr. Hawke as Labour Party leader in a similar party-room coup in 1983, shortly before Mr. Hawke was elected to his first term as prime minister.

While Mr. Keating, 47, took the oath of office, Mr. Hawke performed his last duty as prime minister, dedicating an aboriginal painting at Parliament House.

Several of Mr. Hawke's supporters and cabinet ministers were on hand to hear his tear-filled speech.

New Australian premier sworn in

SYDNEY (AP) — Paul Keating was sworn in Friday as Australia's 24th prime minister, taking over a deeply divided Labour Party and an equally troubled country.

Mr. Keating ousted Bob Hawke for leadership of the ruling Australian Labour Party Thursday. A vote by 107 party members was 56-51 in favour of removing Mr. Hawke, a former union leader who had held the country's top post for nearly nine years.

Governor-General Bill Hayden conducted the sharp swearing-in ceremony in a government house sitting room in Canberra. Mr. Keating, watched by his wife, Anna, and their four children, took the oath flanked by a brightly decorated Christmas tree with gifts underneath.

Mr. Keating's present had arrived a day earlier. It was the former treasurer's second try at the leadership, having failed in his first attempt by more than 20 votes on June 3.

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S. African talks launched with mixed messages

JOHANNESBURG (R) — The first session of South Africa's democracy talks opened Friday with delegates confident they could put more than four decades of white rule behind them and grasp the prize of a non-racial constitution.

Nineteen groups representing the white government, tribal leaders and anti-apartheid movements gathered at a Johannesburg conference centre in a bid to agree a peaceful way to extend political power from the country's white establishment enclave.

The moment of truth has now arrived for all of us. We can no longer avoid our trust with democracy," said Supreme Court Judge Ismail Mahomed, co-chairman of the talks.

The two-day convention, to be held in public, got under way with minimum pomp and ceremony with the leader of each delegation giving a 15-minute policy speech.

Signs of compromise were the air early when African National Congress (ANC) President Nelson Mandela indicated that the ANC would accept a transitional government elected by conference delegates alone.

"An interim government, important as it may be, is but the product of agreement between

ourselves as political parties and organisations. It will not be the outcome of full participation by the people of our country," he said.

The ANC had previously demanded an interim government to be elected by a one-man-one-vote poll, saying it did not trust the government of President F.W. de Klerk to oversee the transition process.

Mandela said the talks, named the Convention for a Democratic South Africa (CODESA), provided the best chance for a peaceful settlement to the country's political problems since the white-created Union of South Africa was promulgated in 1910.

"Our country has lived through eight decades of wasted opportunity. CODESA provides the first opportunity to attempt to establish democracy in our country," Mandela said.

The message from the ANC ... is plain and simple, and for all South Africans, the time for one South Africa, one nation, one vote, one future, is here," he said in Afrikaans, the language of the Dutch-descended white establishment.

The conference is expected to adopt a declaration of intent which will plot the way forward

Vatican to recognise Croatia, Slovenia soon

VATICAN CITY (R) — The Vatican said Friday it was ready to recognise the breakaway Yugoslav Republics of Croatia and Slovenia soon.

Chief Vatican spokesman Joaquin Navarro-Valls told reporters: "Croatia and Slovenia have asked the European Community and, therefore, even the Holy See, for recognition.

"Once their willingness to fulfil conditions, which we have communicated to the respective governments, has been ascertained, the Holy See will not fail to accept such a request, recognising the sovereignty and independence of the two republics."

Arch. Navarro was referring to conditions for recognition, relating to democratic rule and respect for minority rights, laid down at a meeting of European Community foreign ministers last Monday.

The Vatican has been accused of siding with Catholic Croatia and Slovenia against predominantly Serbian villages around Vukovar in eastern Croatia, near the border with Serbia.

But Arch. Navarro said Friday's decision was not meant to be against any party.

The Holy See in fact firmly intends to maintain good relations with all of Yugoslavia's republics, he said.

Arch. Navarro said the Vatican was ready to apply the same conditions for recognition to any Yugoslav republic that requested it.

Meanwhile, heavy fighting flared across Croatia Friday, a day after Germany promised to recognise the rebel republic, and the main federal newspaper said Yugoslav Prime Minister Ante Markovic had resigned.

The daily Borba said Mr. Markovic, a Croat and one of the last vestiges of federal Yugoslavia, had verbally tendered his resignation in a row Thursday over a "war budget" which would fund the Yugoslav army.

The report could not immediately be confirmed but Mr. Markovic held talks Friday morning with Herbert Okun, head of a team of United Nations observers exploring prospects for sending in thousands of U.N. peacekeeping troops.

Asked if Mr. Markovic had resigned, Mr. Okun told Reuters: "He certainly did not deny it."

"The prime minister has said he will not support this budget. He thinks it is very high on the military side."

Mr. Okun said Mr. Markovic's resignation would not affect his mission and that the key condition for dispatching a peacekeeping force remained establishing a solid ceasefire.

Rival Croatian and Serbian media reported some of the fiercest fighting for weeks between Croatian forces and Serbian irregulars backed by the Serbian army.

Belgrade Radio said Croatian forces pounded predominantly Serbian villages around Vukovar in eastern Croatia, near the border with Serbia.

It said fighting was fierce but the attack was repelled. Material losses were great and a number of people were wounded.

Croatian radio reported mortar and artillery battles in the east, centre and west of the republic.

It accused the army of starting

fighting around Osijek in eastern Croatia and attacking Zadar on the Adriatic coast and Karlovac in the south of the Croatian capital Zagreb.

The fighting had worsened Thursday as European Community mediator Lord Carrington ended his latest mission reporting little progress and Yugoslavia hurtling towards collapse.

The German cabinet said Thursday it would grant formal recognition to any Yugoslav republic that seeks independence and meets EC conditions on democracy, human rights, stable borders and minority rights.

WORLD NEWS IN BRIEF

Bush sees prosperity for free Cuba

WASHINGTON (R) — President George Bush has said that Cuba could become an economic "success story" with U.S. help if Fidel Castro was replaced by a democratic government. (Cuban President) Fidel Castro is swimming against the tide. There is no way that you can oppress people forever and keep down their aspirations for freedom," Mr. Bush said when asked about Cuba.

"He'll get tired. Something will happen, and then his people will be free," he said. "Cuba, once free, and once under democracy will have a real shot at forward movement in terms of helping their people through a reinvigorated economy. There's no question about that. It could be the success story of the '90s if Castro would permit the freedom and democracy that the people want. And then you'll see the United States do exactly what we should, go down, lift those people up and say, we want to help you. And it wouldn't be just the government. You'd have all kinds of private investment move in to Cuba that would offer those people an increased standard of living, great hope for their families, freedom of religion, freedom of elections — all these things."

Salvador rebels shoot down helicopter

SAN SALVADOR (R) — Leftist Salvadoran rebels said Thursday they had shot down a Honduran military helicopter, killing its nine-man crew including two colonels. The clandestine rebel Radio Venceremos said forces of the Farabundo Marti National Liberation Front (FMLN) shot down the helicopter during clashes with Salvadoran government forces in the northeastern province of Morazan, near the Honduran border. The U.S.-made UH-1H craft was shot down "during heavy fighting" when it flew over the combat zone "flying low, in a provocative position," the radio said. The FMLN regretted the incident and asked the Honduran military high command to keep its aircraft away from zones where the Salvadoran guerrillas consider under their control. In Tegucigalpa, the Honduran Armed Forces said one of their helicopters had crashed in bad weather on a routine flight about two kilometres inside the Honduran border.

British recession hits father Christmas

LONDON (R) — Even Father Christmas is not immune to Britain's recession. Letters sent to "reindeer" by British children are down by nearly half on the 750,000 posted last year. A team of 100 paid volunteers replies to the letters. "We are busy sending replies with the reindeer stamp to tell children to be good and Father Christmas will call on them," volunteer organiser Terry McMahon said.

ANC supporters scoured the squalled Tamboville township, scene of repeated incidents of political violence, in search of the culprits.

"Gunmen wielding AK-47 (automatic rifles) randomly opened fire and killed nine people at Tamboville 'Squatter Camp. We are trying to find clues of the killers because we know police will take their time," ANC official Ronnie Mamope said.

"I regret that I cannot unrevealedly commit myself to the declaration of intent as it is presently formulated and therefore cannot sign it," Mr. Mamope said in his opening speech.

"The people of Bophuthatswana must have the final say in our future," he added.

The conference has been boycotted by the white opposition Conservative Party, which judges the process as a handing over of the country to the black majority, and by black radical groups which refuse to talk to "the white regime."

Representatives of both factions

are expected to sign the declaration of intent, which will plot the way forward.

The conference is expected to adopt a declaration of intent which will plot the way forward

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